

1 July 1955

The Honorable Herbert Brownell  
Attorney General  
Department of Justice  
Washington 25, D. C.

Dear Herb:

I appreciate it that you brought to my attention a report which the Federal Bureau of Investigation received from a newspaper source and passed to you respecting an alleged recent meeting of high officials of the CIA. This report indicated that at this meeting CIA "agreed to allocate five million dollars to be expended in Korea for the purpose of creating incidents which would place Chiang Kai-shek in an unfavorable light and which subsequently could be used as a basis for swaying public opinion against the Chinese Nationalists to the end that Formosa could be placed under a United Nations trusteeship." The report further indicated that the source of this information considered "that it was very doubtful if Mr. Allen Dulles, Director of the Central Intelligence Agency, had any knowledge of this project which would come under Mr. Frank Wisner."

There is no basis whatever for this fantastic report. This Agency is following our national policy with regard to the support of Chiang Kai-shek and is not a party to any maneuver of any nature which would tend to weaken his cause or that of the Chinese Nationalists. 25X1

Of course no such funds could be committed by the Agency without my personal knowledge and approval.

A similar report was brought to my attention some weeks ago by a distinguished Senator, and I gave him a similar statement as to its complete inaccuracy.

TOP SECRET #103818  
Copy #4

J. R.

TOP SECRET

We believe we know where this false report originated and consider it likely that it is being relayed to certain newspapermen, including the FBI informer, in the hope that it will eventually be published.

I am enclosing an extra copy of this letter in case you should wish to pass it on to Mr. J. Edgar Hoover.

Sincerely yours,

SIGNED

Allen W. Dulles  
Director

AWD:hea

Distribution:

# 1/2 — Orig & 1 cc - ~~200~~ Addressee  
# 3 1 cc - DCI  
# 4 ER - 1 cc ✓

DRAFT

30 June 1955

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The Honorable Herbert Brownell  
Attorney General  
Department of Justice  
Washington 25, D. C.

Dear Herb:

*(T) Nat*

I ~~sincerely~~ appreciate you ~~for having~~ brought to my attention  
a report which the Federal Bureau of Investigation ~~had~~ received  
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from a newspaper source respecting an alleged recent meeting of  
high officials of the CIA. The report ~~you received~~ indicated that at  
this meeting CIA "agreed to allocate five million dollars to be expended  
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Chiang Kai-shek in an unfavorable light and which subsequently  
could be used as a basis for swaying public opinion against the  
Chinese Nationalists to the end that Formosa could be placed under  
a United Nations trusteeship." The report further indicated that the  
source of this information considered "that it was very doubtful if  
Mr. Allen Dulles, Director of the Central Intelligence Agency, had  
any knowledge of this project which would come under Mr. Frank  
Wisner."

~~For the record I wish to assure you that~~ *T* There is no basis  
whatever for ~~the above~~ report. This Agency is following our national  
policy with regard to the support of Chiang Kai-shek and is not a party

*This fantastic*

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mitted by the Agency without my knowledge and approval.  
personal

A similar report was brought to my attention some weeks ago by a distinguished Senator, and I gave him a similar statement as to its complete inaccuracy.

I am generally aware of the source from which these reports  
stem, and believe I understand the reasons motivation for the spreading  
such of this false information.

I am enclosing an extra copy of this letter in case you should  
wish to pass it on to Mr. J. Edgar Hoover.

Sincerely yours,

Allen W. Dulles  
Director

believe we  
We know where this false report originated and believe it is being relayed to certain newspaper men in the hope that it will be published eventually